

**CONTRACT PERIOD THROUGH AUGUST 31, 2004**

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **VISION SERVICES, MARICOPA COUNTY EMPLOYEES**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **August 8, 2001**.

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

SD/lc  
Attach

Copy to: Clerk of the Board  
Sue Wybraniec, Human Resources  
Peter Cerchiara, Human Resources  
Monica Mendoza, Materials Management

(Please remove Serial 97101-SC from your contract notebooks)

## VISION SERVICES, MARICOPA COUNTY EMPLOYEES

### 1.0 **INTENT:**

The purpose of this contract is to provide a single contractor to furnish comprehensive vision care and vision benefits to Maricopa County employees and dependents.

#### 1.1 BACKGROUND:

Maricopa County (the County) services employees in urban, suburban and rural areas within the County. The County's active employees reside in the Phoenix metropolitan area as well as Gila Bend, Wickenburg, etc.

Maricopa County Government is under the control of a five-member Board of Supervisors, elected every four years. In addition, seven departments are controlled by elected officials: Assessor, Treasurer, Recorder, Sheriff, County Attorney, Superintendent of Schools, and Clerk of Superior Court. A presiding judge leads the Superior Court System.

The County Administrative officer reports to the Board of Supervisors and is responsible for the operation of those departments under the control of the Board (those not identified in the previous paragraph), and for implementation of Board policy. Four other officers support the CAO: the Deputy County Administrator, Chief Information Officer, Chief Financial Officer, Chief Community Services Officer, Chief Health and Human Services Officer, and Chief Public Works Officer.

Maricopa County has prepared this Request for proposal and will examine proposals and make recommendations relative to the following coverages for their employees, and their dependents:

- VISION COVERAGE

The County has an employee population in excess of 13,000 of which approximately 11,000 are benefit eligible. The County services include highway maintenance, police and detention services, health services and a broad range of administrative, clerical and professional governmental services.

The County currently offers vision coverage carved-out from the specific medical plans offered. However, the vision benefits are not voluntary but are automatically provided according to the medical coverage tier level enrolled (single, family, etc.). Also, the vision benefits themselves will be the same regardless of the specific medical plan in which the employee enrolls.

#### 1.2 PROPOSED BENEFITS:

Maricopa County is requesting a proposal to provide Vision Benefits to Maricopa County employees and their families. The benefit schedule provided in Attachment F reflects the minimum coverage that must be provided under the plan.

### 2.0 **SCOPE OF WORK:**

In addition to the minimum requirements noted in section 3.0, your proposed and ultimately contracted services, must comply with the following scope of work:

- 2.1 The effective date of the contract will be January 1, 2002. The rates must be pre-determined for at least the first 3 contract years. (The rates need not necessarily be the same for all 3-years).
- 2.2 The policy's or contract's rate change date and anniversary will fall on January 1st. All contract or benefit changes will only occur on this date unless previously agreed to in writing by all parties.
- 2.3 Written, 8-month rate change notification must be given prior to the anniversary dates for years 4 and 5 and will include supporting documentation. The first notification is due April 1,

2004 for year 4 of the contract (2005). Preliminary, non-binding renewal projections to assist the County in the budgetary process must be provided as requested.

- 2.4 Vision coverage will be provided for all employees and their dependents if they have enrolled in medical coverage according to the level of coverage chosen, i.e., single medical coverage = single vision coverage, single + family medical coverage = single + family vision coverage). There is a four-tier rate structure (single, single plus spouse, single plus children, and single plus family.) Vision benefits will only be provided for those family members actually enrolled in the medical plan. The vision benefit will also comply with the medical plan eligibility definition (please see medical plan eligibility excerpt attached).
- 2.5 Your provider directory must be current and indicate which providers are accepting new patients and which are closed if any to new patients.
- 2.6 The County may audit providers to confirm that they are accepting new patients and have current active contracts with the vendor. Vendors will be required to allow the County to audit their claims administration and production facilities.
- 2.7 The Provision of LASIK treatment is desired.
- 2.8 Vendor must be able to maintain an account structure for reporting claims and premium that reflects the departments within the county that is at most two levels below the total account level. The coding for this information will be provided via electronic files. The awarded vendor will be required to accept electronic eligibility and premium files from the County with which to administer eligibility and premium accounting.
- 2.9 The vendor/claims administrator will maintain and verify eligibility for coverage for all benefits. The carrier is also responsible for providing all certifications of creditable coverage required by federal and state law.
- 2.10 Actives and retirees will be covered under the vision plan and their rates will be blended into the active employee rate structure.
- 2.11 The vendor/administrator must track experience and provide such experience reports with other reports noted below.
- 2.12 No commissions shall be included in your quoted rates.
- 2.13 The County has ultimate authority to correct legitimate administrative errors and is the final determinant of when such errors have occurred. The County shall be the final determinant for all eligibility issues.
- 2.14 Employee contributions vision coverage will be required. The contribution strategy is currently 95% of the employee premium and 71% of the dependent contract costs. This may change in the future.
- 2.15 Premiums are paid monthly based on 13 cycles per year, or 26 payroll cycles. Monthly premiums are converted to correspond to the 26 pay periods. Premiums will be paid therefore every 4 weeks approximately 23-25 days after the end of the month.
- 2.16 Eligibility for active participants will be handled via electronic file. The Contractor must have capabilities to receive and send electronic files and access Windows based and Internet based application data at least weekly. The Contractor must provide their IP address, Web Page address, FTP SITE, or provide direct dial up specifications.
- 2.17 The County's COBRA Administrator will handle eligibility for COBRA participants, which is currently Administrative Enterprises, Inc. Premium payment is also handled by AEI.

- 2.18 The County maintains the right to accept, reject, or cancel the contract of a contractor at any time, if there is a significant change in the County's opinion in the contractor's operation of the plan, including but not limited to, the provider network, satisfaction with customer service, quality of the plan and satisfaction by the County's employees.
- 2.19 The Contractor must have the capability to accept electronic transfer of funds under the ASO agreement and will be asked to establish banking arrangements that charges the account only for benefit checks presented for payment versus issued/drafted by the administrator under the ASO arrangement.
- 2.20 The bid must be all-inclusive including the administration, underwriting, insurance, and network management. All fees must be all-inclusive and guaranteed.
- 2.21 Vendor must provide at least quarterly a loss ratio report, reporting premium, incurred claims, and retention expenses.
- 2.22 All forms and documents must be provided via electronic format as a standard.
- 2.23 Vendor will print and provide in bulk (drop shipment), plan SPDs upon approval of same document and the number by the County Benefits Division.
- 2.24 Vendor must be able to accept an electronic file from the Benefits Division for the purposes of tracking and confirming eligibility for benefits and confirmation and generation of premium at least on a weekly basis.

**2.25 REPORTING REQUIREMENTS:**

- 2.25.1 The administrator must provide all reports and documentation required by law to be administered by the plan including certifications of creditable coverage (HIPPA).
- 2.25.2 Vendor must provide monthly data showing premiums and benefits utilization/claims data down to the service level, i.e., exams and hardware for:
- Detailed claims information down to the member/user level, and,
  - Summary level at the division and entire accounts level.
- 2.25.3 Reports must be received on a quarterly basis.
- 2.25.4 Reports must be provided electronically.

**2.26 SAFETY GLASS COVERAGE**

- 2.26.1 The following Safety Eyeglass Coverage is optional business and not required coverage to qualify for award under the voluntary vision plan offering through the rest of this RFP. All the information required at minimum or under scope of work for the non-occupational RFP herein applies to the safety eyeglass coverage in this section in addition to the following requirements. If there is any information requested related to the non-occupational benefits that does not apply to safety coverage, you are asked to indicate those difference under the questionnaire Attachment G.
- 2.26.2 The maximum charge covered under the safety eyeglass coverage per pair of glasses to be paid directly by the employer will be \$130.
- 2.26.3 Vendor will be expected to unbundled lens replacement from frame replacement at anytime if requested by the member.

- 2.26.4 Prescription information will be obtained from the non-occupational side of the business. If any exams need to be conducted for those members not covered and entitled to safety eyeglass coverage those exams will be limited to vision and not include any medical diagnostics.
- 2.26.5 Vendors will be required to provide a discount on their retail pricing included in this bid.
- 2.26.6 Dispensing fee if any must be disclosed.
- 2.26.7 Safety sideshields are required either as detachable or permanent.
- 2.26.8 Turn-around production time must be 6 days or less from order submission to standard delivery at retail center for all but high index prescriptions noted below.
- 2.26.9 Safety glass exams will be covered through the healthcare coverage eligibility but for those employees not covered under the County healthcare, prescription exams must be provided for those employees.
- 2.26.10 Safety Frames
  - 2.26.10.1 The member will have the right to choose frames up to the agreed retail maximum of \$50 per frame every three years.
- 2.26.11 Safety Lens Material
  - 2.26.11.1 Basic safety benefit will require polycarbonate for all safety job classifications.
  - 2.26.11.2 Coating included: polarized, abrasion resistance, and transition.
- 2.26.12 Safety Prescriptions; single vision to progressive
  - 2.26.12.1 Basic lens prescription will be required to be in the range from single vision to progressive lens prescriptions the maximum cost covered for these lens prescriptions would be \$80 including all basic benefits lens raw material and basic coatings.
  - 2.26.12.2 High index lens prescriptions and lens will be covered and required for diopters of +4 to +7.5 and from -6 to -12.
- 2.26.13 Member Options Co-pays
  - 2.26.13.1 Employee co-pays will be available for certain convenience items for members to buy.
  - 2.26.13.2 Hardware damaged or lost sooner than one year after dispensing would require member co-pay of \$30 for replacement.
  - 2.26.13.3 Coating other than polarized, abrasion resistance, and transition: \$15 co-pay.
  - 2.26.13.4 Tinting/color; \$15 co-pay if added.
  - 2.26.13.5 Members will be allowed to pay the additional price above the maximum retail benefit for more costly frames and lens including coating, color and other grades/features not included in basic benefit.

2.27 TAX:

Bid pricing to include all labor, overhead, equipment used, profit, and any taxes that may be levied. It is the responsibility of the bidder to determine any and all taxes and include the same in bid price.

3.0 **SPECIAL TERMS & CONDITIONS:**

**3.1 Minimum Qualifications:**

- 3.1.1 Vendors must provide both an in-network as well as out of network benefit. Vendors may choose to provide benefits through an HMO preferred network of vendors and a non-preferred extended network of contracted vendors in addition to an out of network or indemnity system, or may choose to provide only a closed panel of preferred providers and an out of network benefits.
- 3.1.2 The carrier must have and maintain a network of at least 60 providers (ophthalmologists, optometrists, etc.) in a closed-panel HMO, IPA, or discounted fee-for-service contract with at least 14 ophthalmologists in the Maricopa County network area.
- 3.1.3 Contractor must have a net worth (total assets - total liabilities) of \$500,000 or more.
- 3.1.4 Contractor must be licensed to provide fully insured and/or self-insured ASO contracts within the State of Arizona and provide quotes under at least one of these arrangements to be considered responsive to the bid by the County. (If vendor can only provide an ASO we would like to see an insured quote for illustrative purposes.)
- 3.1.5 Each vendor must provide a map indicating the locations of all retail and service units throughout Maricopa County.
- 3.1.6 Vendor must have at least 3 accounts with populations of more than 2500 employees within the Southwest Region.
- 3.1.7 At least 80% of your stores for members must be able to provide full services; exams, frames, and lenses/contacts through that storefront outlet.
- 3.1.8 All documents, forms, and reports must be provided at minimum in an electronic format with plan descriptions printed as needed, at most, once annually for each employee's use. The vendor in the contract does not assume cost of distribution of documents.
- 3.1.9 Vendor must accept electronic file for eligibility and premium recording purposes according to data specs established by Maricopa County Employee Benefits and our department of the CIO.
- 3.1.10 The same insured premium rates must cover benefits across provider networks chosen including out of network providers. Differential underwriting should be achieved through gradations in levels of co-pays, deductibles, co-insurance percentages, and dollar benefit limits set depending on the benefits network or delivery chosen between preferred in-network, non-preferred providers, and out of network provider use.
- 3.1.11 **Eligible proposers under this RFP must maintain throughout Maricopa County available at the retail, provider offices at least 14 ophthalmologists or optometrist certified as Therapeutic Pharmaceutical Agents who can prescribe medications, remove foreign objects, or perform other medical treatments prescribed by State Board including patient medical referrals.**

**3.1.12 All vendors submitting responses must be principals. Brokers agents, or other separate entities representing other independent firms will not be recognized as authorized proposers under this RFP.**

3.2 CONTRACT LENGTH:

This Request for Proposals is for awarding a firm fixed price contract to cover a ~~THREE-~~(3) year period. The rates must be pre-determined for at least the first 3 contract years.

3.3 OPTION TO EXTEND:

The County may, at their option, may extend the period of this agreement up to a maximum of TWO (2), ONE (1) year options. The Contractor shall be notified in writing by the Materials Management Department of the County's intention to extend the contract period at least thirty (30) calendar days prior to the expiration of the original contract period.

3.4 INDEMNIFICATION AND INSURANCE:

3.4.1 INDEMNIFICATION FOR PROFESSIONAL LIABILITY

To the fullest extent permitted by law, the **CONSULTANT** shall indemnify, and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted from the **CONSULTANT'S** negligent acts, errors, omissions or mistakes relating to professional services in the performance of this Contract. **CONSULTANT'S** duty to indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials, and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property, including loss of use resulting therefrom, caused by any negligent acts, errors, omissions or mistakes, related to professional services in the performance of this Contract including any person for whose negligent acts, errors, omissions or mistakes, the **CONSULTANT** may be legally liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

**For all other hazards, liabilities, and exposures:**

To the fullest extent permitted by law, the **CONSULTANT** shall defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings), relating to, arising out of or resulting from the **CONSULTANT'S** work or services. **CONSULTANT'S** duty to defend, indemnify and hold harmless the **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of the **CONSULTANT**, anyone **CONSULTANT** directly or indirectly employs or anyone for whose acts **CONSULTANT** may be liable.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

**Abrogation of Arizona Revised Statutes Section 34-226:**

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then this duty of indemnification shall extend to all claims, damages, losses and expenses, including but not limited to attorney fees, court costs, expert witness fees, and the cost of appellate proceedings, relating to, arising out of, or alleged to have resulted therefrom, caused in whole or in part by any negligent acts, errors, or omissions relating to professional work or services in the performance of this Contract by the **CONSULTANT**, or anyone directly employed by the **CONSULTANT** or anyone for whose acts **CONSULTANT** may be liable regardless of whether it is caused by any party indemnified hereunder, including the **COUNTY**.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

The scope of this indemnification does not extend to the sole negligence of the **COUNTY**.

3.4.2 **INSURANCE REQUIREMENTS:**

**CONSULTANT**, at **CONSULTANT'S** own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. Rating of B++6, or approved unlicensed companies in the State of Arizona with policies and forms satisfactory to the **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of the **COUNTY**, constitute a material breach of this Contract.

The **CONSULTANT'S** insurance shall be primary insurance as respects the **COUNTY**, and any insurance or self-insurance maintained by the **COUNTY** shall not contribute to it.

The policies required hereunder, except Workers' Compensation and Professional Liability, shall contain a waiver of transfer of rights of recovery (subrogation) against the **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of the **CONSULTANT'S** work or service.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect the **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to the **COUNTY** under such policies. The **CONSULTANT** shall be solely responsible for the deductible and/or self-insured retention and the **COUNTY**, at its option, may require the **CONSULTANT** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

The **COUNTY** reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. The **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONSULTANT** of any deficiencies in such policies and endorsements, and such receipt shall not relieve **CONSULTANT** from, or be deemed a waiver of, the **COUNTY'S** right to insist on strict fulfillment of **CONSULTANT'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation and Professional Liability, shall name the **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

- 3.4.3 Commercial General Liability. **CONSULTANT** shall maintain Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. The coverage shall include X, C, U.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, CG 20 10 11 85, and shall include coverage for **CONSULTANT'S** operations and products and completed operations.

- 3.4.4 Automobile Liability. **CONSULTANT** shall maintain Automobile Liability insurance with an individual single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONSULTANT'S** vehicles (whether owned, hired, non-owned), assigned to or used in the performance of this Contract.

- 3.4.5 Workers' Compensation. The **CONSULTANT** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONSULTANT'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, the **CONSULTANT** will require the Subconsultant to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of the **CONSULTANT**.

- 3.4.6 Professional Liability. The **CONSULTANT** retained by the **COUNTY** to provide the work or service required by this Contract shall maintain Professional Liability insurance covering negligent acts, errors, or omissions arising out of the work or services performed by the **CONSULTANT**, or any person employed by the **CONSULTANT**, with a limit of not less then \$1,000,000 each claim.

**3.5 CERTIFICATES OF INSURANCE:**

Prior to commencing work or services under this Contract, **CONSULTANT** shall furnish the **COUNTY** with Certificates of Insurance, or formal endorsements as required by the Contract, issued by **CONSULTANT'S** insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Contract are in full force and effect. Such certificates shall identify this contract number and title.

In the event any insurance policy (ies) required by this contract is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the **CONSULTANT'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to the **COUNTY** fifteen (15) days prior to the expiration date.

**3.6 CANCELLATION AND EXPIRATION NOTICE**

Insurance required herein shall not expire, be canceled, or materially changed without thirty- (30) day's prior written notice to the **COUNTY**.

**3.7 REQUIREMENT OF CONTRACT BONDS:**

Concurrently with the submittal of the Contract, the Contractor shall furnish the Contracting Agency the following bonds, which shall become binding upon the award of the Contract to the Contractor.

(A) A Performance Bond in an amount equal to the full Contract amount (or as specified) conditioned upon the faithful performance of the Contract in accordance with plans, specifications and conditions thereof. Such bond shall be solely for the protection of the Contracting Agency awarding the Contract.

(B) A Payment Bond in an amount equal to the full Contract amount solely for the protection of claimants supplying labor or materials to the Contractor or his Subcontractors in the prosecution of the work provided for in such contract.

Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

Each such bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance. The bonds shall not be executed by an individual surety or sureties. The bonds shall be made payable and acceptable to the Contracting Agency. The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official. In addition, said company or companies shall be rated "Best-A" or better as required by the Contracting Agency, as currently listed in the most recent Best Key Rating Guide, published by the A.M. Best Company.

**3.8 TERMS AND PAYMENT:**

Payment under contract will be made in the manner provided by law. Invoices shall be prepared and submitted in accordance with the instructions provided on the Purchase Order. Invoices shall contain the following information: Purchase Order number, item numbers, description of supplies and or/services, sizes, quantities, unit prices and extended totals and applicable sales/use tax. The County is not subject to excise tax.

**3.9 USAGE REPORT:**

The Contractor shall furnish the County a quarterly usage report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

**3.10 TECHNICAL AND DESCRIPTIVE LITERATURE:**

Proposer(s) must include complete manufacturer's technical and descriptive literature regarding the material they propose to provide. Literature shall be sufficient in detail in order to allow full and fair evaluation of the offer submitted. Failure to include this information may result in the PROPOSAL being rejected.

**4.0 CONTRACT TERMS & CONDITIONS:**

**4.1 LANGUAGE FOR REQUIREMENTS CONTRACTS:**

Contractors signify their understanding and agreement by signing this document, that the Contract resulting from this proposal will be a requirements contract. However, this Contract does not guarantee that any purchases will be made. It only indicates that if purchases are made for the services contained in this Contract, that they will be purchased from the Contractor awarded that item Orders will only be placed when a need is identified by a Using Agency or Department and proper authorization and documentation have been approved.

**4.2 ESCALATION:**

Any requests for price adjustments must be submitted thirty (30) days prior to the Contract renewal date. Justification for the requested adjustment in cost of labor and/or materials must be accompanied by appropriate documentation. Escalation shall not exceed the increase in the U.S. Department of Labor (Bureau of Labor Statistics) Consumer Price Index for Urban Consumers. Increases shall be approved in writing by the Materials Management Department prior to any adjusted invoicing submitted for payment.

**4.3 UNCONDITIONAL TERMINATION FOR CONVENIENCE:**

Maricopa County may terminate the resultant Contract for convenience by providing sixty (60) calendar days advance notice to the Contractor.

**4.4 DEFAULT:**

The County may suspend, terminate, or modify this contract immediately upon written notice to the Contractor in the event of a nonperformance of stated objectives or other material breach of contractual obligations; or upon the happening of any event which would jeopardize the ability of the Contractor to perform any of its contractual obligations. Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

**4.5 TERMINATION BY THE COUNTY:**

If the Contractor should be adjudged bankrupt or should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the County may terminate this Agreement. If the Contractor should persistently or repeatedly refuse or should fail, except in cases for which extension of time is provided, to provide enough properly skilled workers or proper materials, or persistently disregard laws and ordinances, or not proceed with work or otherwise be guilty of, a substantial violation of any provision of this Agreement, then the County may terminate this Agreement. Prior to termination of this Agreement, the County shall give the Contractor fifteen (15) calendar days written notice. Upon receipt of such termination notice, the Contractor shall be allowed fifteen (15) calendar days to cure such deficiencies.

**4.6 APPROPRIATION CONTINGENCY:**

The Contractor recognized that any agreement entered into shall commence upon the day first provided and continued in full force and effect until termination in accordance with its provisions. The Contractor and the County herein recognized that the continuation of any contract after the close of any given fiscal year of the County which fiscal years end on June 30 of each year, shall be subject to the approval of the budget of the County providing for or covering such contract item as an expenditure therein. The County does not represent that said budget item will be actually adopted, said determination being the determination of the County Board of Supervisors at the time of the adoption of the budget.

**4.7 ORGANIZATION - EMPLOYMENT DISCLAIMER:**

The Contract is not intended to constitute, create, give rise to or otherwise recognize a joint venture agreement or relationship, partnership or formal business organization of any kind, and the rights and obligations of the parties shall be only those expressly set forth in the Contract.

The parties agree that no persons supplied by the Contractor(s) in the performance of obligations under the agreement are considered to be County employees, and that no rights of County civil service, retirement or personnel rules accrue to such persons. The Contractor(s) shall have total responsibility for all salaries, wages, bonuses, retirement withholdings, workmen's compensation, other employee benefits and all taxes and premiums appurtenant thereto concerning such persons, and shall save and hold the County harmless with respect thereto.

**4.8 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:**

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S. § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the contract.

**4.9 OFFSET FOR DAMAGES:**

In addition to all other remedies at Law or Equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this Contract.

**4.10 ADDITIONS/DELETIONS OF SERVICE:**

The County reserves the right to add and/or delete services to this Contract. Should a service requirement be deleted, payment to the Contractor will be reduced proportionally, to the amount of service reduced in accordance with the PROPOSAL price. Should additional services be required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

**4.11 ASSIGNMENT OR SUBCONTRACTING:**

Neither this Agreement, nor any portion thereof, may be assigned by Contractor without the written consent of the County first having been obtained. Any attempt by the Contractor to assign or subcontract any performance of this Contract without the written consent of the County shall be null and void and shall constitute a breach of this Contract.

The Subcontractor's rate for the job shall not exceed that of the Prime Contractor's rate, as proposed in the pricing section, unless the Prime Contractor is willing to absorb any higher rates. The Subcontractor's invoice shall be invoiced directly to the Prime Contractor, who in turn shall pass-through the costs to the County, without mark-up. A copy of the Subcontractor's invoice must accompany the Prime Contractor's invoice.

**4.12 AMENDMENTS:**

All amendments to this Contract must be in writing and signed by both parties.

**4.13 CONFORMATION WITH THE LAW:**

This service shall be accomplished in conformity with the laws, ordinances, rules, regulations and zoning restrictions of the United States of America, the State of Arizona, County of Maricopa, and the City of Phoenix.

**4.14 CONTRACT COMPLIANCE MONITORING:**

The Materials Management Department and Using agency(s) shall monitor the Contractors compliance with, and performance under, the terms and conditions of the Contract. The Contractor shall make available for inspection and/or copying by the County all records and accounts relating to the work performed or the services provided in this Contract.

**4.15 RETENTION OF RECORDS:**

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The Department, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of any and all said materials.

**4.16 ADEQUACY OF RECORDS:**

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that allowable services were provided to eligible clients the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

**4.17 AUDIT DISALLOWANCES:**

If at any time it is determined by the Department that a cost for which payment has been made is a disallowed cost, the Department shall notify the Contractor in writing of the disallowance and the required course of action, which shall be at the option of the Department either to adjust any future claim submitted by the Contractor by the amount of the disallowance or to require repayment of the disallowed amount by the Contractor forthwith issuing a check payable to Maricopa County.

**4.18 P.O. CANCELLATION LANGUAGE:**

The Department of Materials Management reserves the right to cancel Purchase Orders within a reasonable period of time after issuance. Should a Purchase Order be canceled, the County agrees to reimburse the Contractor but only for actual and documentable costs incurred by the Contractor due to and after issuance of the Purchase Order. The County will not reimburse the Contractor for any costs incurred after receipt of County notice of cancellation, or for lost profits, shipment of product prior to issuance of Purchase Order, etc. Contractors agree to accept verbal notification of cancellation from the Department of Materials Management with written notification to follow. By submitting a proposal in response to this solicitation, the Contractor specifically acknowledges to be bound by this cancellation policy.

**4.19 RIGHTS IN DATA:**

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as may be established by law or applicable regulation. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

**4.20 SECURITY AND PRIVACY:**

The Contractor agrees that none of its officers or employees shall use or reveal any research or statistical information furnished by any person and identifiable to any specific private person for any purpose other than the purpose for which it was obtained. Copies of such information shall not, without the consent of the person furnishing such information, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceedings, unless ordered by a court of competent jurisdiction. The County shall be notified immediately upon receipt of any such order of court, pertaining to production of such information.

The Contractor shall incorporate the foregoing provisions of this paragraph in all of its authorized Subcontracts.

**4.21 SEVERABILITY:**

Any provision of this Contract which is determined to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof, and remaining provisions shall remain in full force and effect.

**4.22 VALIDITY:**

The invalidity, in whole or in part, of any provision of this Agreement shall not void or affect the validity of any other provision of this Contract.

**4.23 CONTRACTOR RESPONSIBILITY:**

The Contractor will be responsible for any damages whatsoever to County property as applicable when such property is the responsibility or in the custody of the Contractor, his Employees or Subcontractors.

Contractor agrees that all Subcontractors performing work under this Contract shall comply with its provisions and it is expressly understood that all persons employed by the Contractor, either directly or indirectly, shall be considered employees of the Contractor, and not employees of Maricopa County.

Contractor acknowledges and agrees that it is liable and responsible for any act or omission by the Contractor, its employees, agents, officers, representatives, and subcontractors occurring in the course of Contractor's performance of this Contract, whether such act or omission occurs on County property or elsewhere. Contractor shall be liable for any loss or damage arising out of or related to Contractor's performance of this contract, Contractor shall bear the above stated liability, even in absence of its own negligence, unless County actions caused the loss or damage (i.e., if regulation, but damage occurs, Contractor is responsible for such damages.) Contractor shall bear the above stated liability, consequential, incidental, direct, and indirect damages, and shall be liable for all costs, including attorney's fees, incurred by the County to enforce this provision.

**4.24 FAILURE TO PROVIDE SERVICES:**

Maricopa County reserves the right to have service provided by other than the Contractor if the Contractor is unable or fails to provide requested service within the specified time frame.

**4.25 DELIVERY:**

It shall be the Contractor's responsibility to meet the County's delivery requirements, as called for in the Technical Specifications. Maricopa County reserves the right to obtain material on the open market in the event the Contractor fails to make delivery and any price differential will be charged against the Contractor.

**4.26 CHANGES:**

The County may require changes in the scope of the services to be performed by the Contractor hereunder. All such changes, which are mutually agreed upon by and between all the parties, shall be incorporated in written amendments to this Contract. All such amendments shall state any increase or decrease in the amount of the compensation due to the Contractor for the change in scope.

**4.27 EMPLOYEE RESPONSIBILITY:**

No responsibility will attach to a county employee for the premature opening of a proposal not properly addressed and identified in accordance with the proposal documents.

AVESIS INCORPORATED, 3724 N. 3<sup>RD</sup> ST., SUITE #300, PHOENIX, AZ 85012

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: ☒X YES ☐ NO

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: ☒X YES ☐ NO

**PRICING: P08 04 02/B0604221**

**1.0 FULLY INSURED RATE PRICING:**

MONTHLY PREMIUMS

Fixed Annual Rate Increases

	YEAR 1	YEAR 2	YEAR 3
1.1 EMPLOYEE	\$ 3.35	\$ 3.35	\$ 3.35
1.2 EE + SPOUSE	\$ 6.30	\$ 6.30	\$ 6.30
1.3 EE+CHILDREN	\$ 8.48	\$ 8.48	\$ 8.48
1.4 EE+SPOUSE AND CHILDREN	\$ 11.12	\$ 11.12	\$ 11.12

1.5 RATE CAP ON YEARS 4 AND 5

YEAR 4 RATE CAP \_\_\_\_\_5\_\_\_\_\_ % \*

YEAR 5 RATE CAP \_\_\_\_\_5\_\_\_\_\_ % \*

\* please indicate support/basis of increase

Terms: 2% 10 DAYS NET 30

Federal Tax ID Number: 86-0349350

Telephone Number: 602/ 241-3400

Fax Number: 602/ 240-9101

Contact Person: Denise Ramage

Vendor Number: 860349350

E-mail Address: [dramage@avesis.com](mailto:dramage@avesis.com)

Contract Period: To cover the period ending **August 31, 2004.**